

from 1.8.91 to 31.05.96 envisaging foreign direct investment of Rs. 109.17 crores in the State of Kerala.

The details of such proposals viz. name of the Indian company, name and country of foreign collaborator, equity investment involved, item of manufacture/activity are published by the Indian Investment Centre as a supplement to the Monthly Newsletter and copies of these are regularly supplied to the Parliament Library.

Prohibition in States

2055. SHRI N. RAMAKRISHNA REDDY :
SHRI L. RAMANA :
SHRIMATI BHAVNABEN DEVRAJ BHAI
CHIKHALIA :

Will the Minister of FINANCE be pleased to state:

(a) the States which have imposed prohibition:

(b) whether the Union Government have provided financial assistance to these States to make up the loss on account of the prohibition:

(c) if so, the details thereof during the last two years and current year, so far, State-wise:

(d) whether some of the above States have also levied heavy taxes on various areas to make-up the loss:

(e) if so, its impact on the common man.

(f) whether the Union Government propose to direct such State Governments to reconsider their decision of imposing heavy taxes; and

(g) if so, the details thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) Prohibition being a State subject, information in this regard has to be collected from States, and shall be furnished later.

(b) and (c). The Government of India have no scheme at present to provide financial assistance to States to make up the loss on account of prohibition.

(d) to (g) The States levy taxes depending upon the need to raise resources and looking to the general economic environment. It is difficult to say whether any tax has been imposed or enhanced to make up for the loss on account of imposition of prohibition. It is not possible for Government of India to judge whether a particular tax is heavy or not. Since the States are autonomous, it will not be proper for the Government of India to interfere in their legislative competence to levy tax.

Export of Basmati Rice

2056. PROF. AJIT KUMAR MEHTA : Will the Minister of COMMERCE be pleased to state:

(a) whether there is any decline in the export of basmati rice:

(b) if so, the percentage of decline in basmati rice exports and in the foreign exchange earnings as a result thereof during 1995 and 1996:

(c) the main reasons for its steep decline in exports: and

(d) the measures taken by the Government to boost the exports of basmati rice?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) and (b). The quantity and value of basmati rice exported during the last three years and the percentage change in exports both in quantity and value terms over the corresponding period of the previous year(s) is as under:

Year	Quantity (MT)	Value (Rs.) Crores)	% Change over the corresponding period of previous year in	
			Quantity Terms	Value Terms
1993-94	527233	1061.27	-	-
1994-95	442125	865.32	(-)16.14	(-)18.46
1995-96	392258	851.16	(-)11.27	(-)1.63
1996-97	57260	119.65	49.41	25.80
(APRIL'96)				
APRIL'95	38322	88.77		

(c) The fall in exports of basmati rice occurred due to depressed demand in the importing countries and high domestic prices.

(d) Some of the measures taken to promote export of rice include, inter-alia conducting publicity campaigns, delegations abroad, participating in International Trade Fairs, inviting potential buyers and providing financial assistance to exporters for improving quality, packaging, brand promotion of products and for conducting market surveys.

Regulatory Authority for Insurance Sector

2057. SHRI SOUMYA RANJAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Insurance Regulatory Authority has since started functioning:

(b) if so, the details of its scope and terms of office: and

(c) the particulars of its Chairman, Members and also the officials working at present on deputation?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) and (b). Yes, Sir. The Govt. has set up an interim Insurance

Regulatory Authority (IRA) w.e.f. 23.1.1996. A copy of the Govt. Resolution setting up the IRA and giving the details of the scope of its functioning is given in the statement attached.

(c) At present the interim IRA does not have a Chairman. The two members appointed in the interim IRA are Shri K.C. Mittal, who was working as the Chairman-cum-Managing Director of the Oriental Insurance Co., Ltd. before his appointment in the IRA, and Shri N.M. Govardhan, who was working as the Chief Executive, LIC Mutual Fund. As the recruitment rules etc. for the interim IRA are under the process of finalization, it has been managing its work with the help of some officers taken from LIC and GIC on loan basis.

STATEMENT

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GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

INSURANCE DIVISION

New Delhi, the 23rd January, 1996

RESOLUTION

Whereas for some time past the Government of India has been concerned about the healthy regulation, promotion and orderly growth of the insurance market; and

Whereas Government are satisfied that it is necessary to pass a comprehensive legislation to establish an Insurance Regulatory Authority (IRA) to replace the institution of Controller of Insurance provided under Section 2 (B) of Insurance Act, 1938, and to amend the relevant sections of this Act, Life Insurance Corporation Act, 1956, and the General Insurance Business (Nationalisation) Act, 1972, in so far as they relate to regulation, promotion and orderly growth of the industry; and

Whereas the Government are satisfied that pending the enactment of such a comprehensive legislation it is necessary to constitute and make operational an interim body as a precursor to the proposed statutory Authority, with which the interim body would be ultimately merged, or which it will be converted into when the latter is constituted;

Now therefore the Government of India do hereby constitute the Insurance Regulatory Authority (IRA) under the overall administrative control of the Ministry of Finance.

- (i) The Chairman of IRA will also be appointed as Controller of Insurance (COI) for purposes of Section 2(B) of the Insurance Act, 1938,

and exercise all powers which vest with the COI at present.

- (ii) The interim body will examine which of the powers withdrawn from the Controller of Insurance or modified through Government Notifications, issued from time to time, or delegated to the LIC and the GIC under nationalising enactments of the insurance business, need to be restored to the Controller of Insurance. While undertaking this exercise, the IRA may bear in mind the responsibility of privatisation of insurance industry, wholly or partially and make appropriate recommendations regarding the role and powers which will need to be exercised by the IRA in such a scenario.
- (iii) The interim body will also examine the powers of the Central Government under the Insurance Act, 1938 which can be transferred to the Insurance Regulatory Authority as and when it is set up.
- (iv) The Government can assign such additional non statutory functions as may be considered necessary to the interim IRA to enable it to effectively regulate, promote and ensure the orderly growth of the insurance industry.
- (v) The IRA shall be headed by a Chairman to be appointed by the Central Government.
- (vi) The other Members of the IRA, not exceeding seven in number, of whom not more than three shall serve full time, shall be nominated by the Central Government and shall be from amongst persons having experience and knowledge in life insurance, general insurance, financial, economic, legal and administrative matters.
- (vii) The Chairman and the Members of IRA shall hold office during the pleasure of the Government and shall be governed by such terms and conditions as may be determined by the Government from time to time.
- (viii) The Chairman of the IRA shall have appropriate powers to discharge the functions of the IRA effectively. For this purpose the IRA shall provide itself with suitable supporting staff and raise adequate resources.
- (ix) The Government will provide adequate grants for financing the expenses incurred by the Insurance Regulatory Authority.
- (x) Subject to the overall directions and guidelines of the Government the IRA shall
 - (a) deal with all matters relating to promotion and orderly growth of insurance market;
 - (b) propose comprehensive legislation for the purpose indicated above; and

- (c) carry out such other non-statutory functions as may be delegated to the Authority/Chairman by the Central Government for the purposes indicated in (a) and (b) above.
- (xi) The IRA shall be free to determine its own procedures and will have powers to call for records, returns, notes, memoranda, data or any other material relevant to its working from official and non-official bodies and also hold discussions with them.
- (xii) The IRA will have its headquarter in Delhi and submit periodical reports to Government on various aspects of the insurance companies and on such other specific matters as may be called for by the Government from time to time.

Sd/-
(C.S.RAO)

Joint Secretary to the Government of India

ORDER

ORDERED that a copy of the Resolution be communicated to all concerned

ORDERED also that the Resolution be published in the Gazette of India for general information.

Sd/-
(C.S.RAO)

Joint Secretary to the Government of India

PAPERS LAID ON THE TABLE

12.01 hrs.

Report of the Comptroller and Auditor General of India for the Year ended 31.3.95 and Record of Account etc.

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): I beg to lay on the Table -

- 1) A copy each of the following reports (Hindi and English versions) under article 151(1) of the Constitution -
 - (i) Report of the Comptroller and Auditor General of India-Union Government (No. 1 of 1996)-(Commercial) for the year ended the 31st March, 1995-Review of Accounts.
[Placed in Library See No. LT-167/96]
 - (ii) Report of the Comptroller and Auditor General of India-Union Government (No. 2 of 1996)-(Commercial) for the year

ended the 31st March, 1995-Comments on Accounts.

[Placed in Library See No. LT-168/96]

- (iii) Report of the Comptroller and Auditor General of India-Union Government (No. 3 of 1996)-(Commercial) for the year ended the 31st March, 1995-Audit Observations.

[Placed in Library See No. LT-169/96]

2. A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956:

- (i) Statement regarding review by the Government of the working of the Omnibus Industrial Development Corporation of Daman and Diu and Dadra and Nagar Haveli Limited, Moti Daman, for the year 1994-95.

- (ii) Annual Report of the Omnibus Industrial Development Corporation of Daman and Diu and Dadra and Nagar Haveli Limited, Moti Daman, for the year 1994-95, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

- 3 Statement (Hindi and English Versions) showing reasons for delay in laying the papers mentioned at (2) above.

[Placed in Library See No. LT-170/96]

- 4 A copy each of the following Notifications (Hindi and English versions) under sub-section (6) of Section 3 of the Essential Commodities Act, 1955:-

- i) S.O. 213(E) published in Gazette of India dated the 19th March, 1996 notifying the Shree Industries Limited, Village Rajoda, Tehsil Bavla, Gujarat as a mill producing newsprint

- ii) S.O. 393(E) published in Gazette of India dated the 5th-June, 1996 notifying the Rama Newsprint and Papers Limited, Barbodhan, Tehsil Olpad, Gujarat as a mill producing newsprint.

[Placed in Library See No. LT-171/96]

Report of Comptroller and Auditor General of India Union Government (No. 3 of 1996) for the year 1994-95. (Other Autonomous Bodies)

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P CHIDAMBARAM)

I beg to lay on the Table -

- 1) A copy each of the following Reports (Hindi and English versions) under article 151(1) of the Constitution:-